

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:3199

ANSWERED ON:05.12.2016

Domestic Demand of Oil

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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the month-wise details of increase/ decrease in crude oil prices during the last three years and the current year and share of major exporting countries which exported oil to India along with quantum of amount saved/ utilised due to fall in oil prices by the Government;
- (b) the rank of India in respect of total oil consumption and percentage of oil consumed by India against total world production of oil, country-wise;
- (c) whether the prices of LPG and other petroleum products are reduced in proportion to reduction in crude oil prices and if so, the details thereof along with steps taken to reduce the prices of petroleum products/cooking gas to protect the rural poor, product-wise; and
- (d) whether the Government has relaxed/ proposes to relax policy bottlenecks in certain areas of the oil industry and if so, the details thereof along with salient features and key provisions of domestic gas pricing formula announced by the Government?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI DHARMENDRA PRADHAN)

(a): The monthly average prices of Indian basket crude oil during the last three years and the current year are given in Annexure I. The details of share of major exporting countries that exported oil to India are given in Annexure II. The details of value of import for the last three years are as under:

(in Million US \$)

2013-14

2014-15

2015-16

Crude

142962

112744

63972

Products

12466

12138

9952

TOTAL IMPORTS

155427

124882

73924

(b): Total consumption of oil in India during last 3 Calendar years, as per BP Statistics , published in June 2016, along with percentage of oil consumed by India against total world's Oil consumption is given as follows :

2013

2014

2015

Consumption of Oil (In Million metric tonnes)

175.3

180.8

195.5

%age of world's total Oil consumption

4.2%

4.2%

4.5%

Rank Of India in world's in consumption

4th

4th

3rd

(c): Retail Selling Price of sensitive petroleum products in the country are linked to international products prices. The prices of Petrol and Diesel have been made market determined by the Government effective 26th June, 2010 and 19th October, 2014 respectively. Since then, the Public Sector Oil Marketing Companies (OMCs) take appropriate decision on pricing of Petrol and Diesel in line with their international prices and other market conditions. Further, Government continues to modulate the effective price to consumer for Subsidized Domestic LPG and Retail Selling Price (RSP) of PDS Kerosene. As per the Refinery Transfer Price (RTP) effective 1.11.2016, the Public Sector OMCs are providing subsidy of Rs. 12 per litre on sale of PDS Kerosene and Rs.98.86/cylinder (14.2

kg) on Subsidized Domestic LPG.

(d): Government has taken several steps for ensuring policy based administration and easing out contractual rigidities. The policy framework for Relaxations, Extension and clarification at the Development and Production stage under PSC regime for early Monetization of hydrocarbon Discoveries policy on Testing Requirements, Policy for Extension of PSCs have helped in easing out the rigidities and promoting a transparent and fair administration. These initiatives have taken many blocks forward and promoted E&P activities in the country.

Government of India has notified the New Domestic Natural Gas Pricing Guidelines, 2014 which provides for a formula for calculation of domestic natural gas price on six monthly basis. The pricing formula envisages weighted average of prices of major international hubs as detailed at Annexure III

The pricing formula can be taken as the economically appropriate estimate of arms length competitive price of domestic gas and aims at maintaining a fine balance between the requirements of producing and consuming sectors.

x-x-x-x-x